



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: November 25, 2013

Approved

Date 12/4/13

SUBJECT: FIRST AMENDMENT TO CITYWIDE SECURITY GUARD SERVICES AGREEMENTS

RECOMMENDATION

Adopt a resolution to authorize the City Manager to execute the First Amendment to the Citywide Security Guard Services Agreements with First Alarm Security & Patrol Services (San José, CA) and National Security Industries & Services (San José, CA), to require each vendor to pay employees paid on an hourly rate consistent with the paid time off requirement pursuant to the City's Living Wage Policy 3-3 as amended on June 4, 2013.

OUTCOME

Require twelve days of paid time off for full time employees and six days of paid time off for part time employees consistent with the City's Living Wage Policy 3-3 as amended on June 4, 2013.

BACKGROUND

On March 26, 2013, the City Council approved Agreements for Citywide Security Services with First Alarm Security and Patrol and National Security Industries. Council approved these agreements on the condition that they would be amended to include mandatory paid time off (PTO) for all employees subject to the City's Living Wage.

On June 4, 2013, the City Council adopted Resolution No. 76653 revising the City's Living Wage Policy to require contractors to provide twelve PTO days for full time employees, and six PTO days for part time employees on all living wage contracts.

ANALYSIS

Although the RFP for Security Guard Services was issued prior to Council's approval to amend the Living Wage Policy, the RFP required that bidders provide optional pricing for each day that PTO may be required in the future. Staff has notified both vendors that twelve or six PTO days will be required, and the agreements will be amended to reflect this change. Both vendors are agreeable to the change pursuant to their option pricing that was submitted in their respective proposals. In anticipation that Council would amend the Living Wage Policy to include PTO, Staff estimated a maximum compensation in the original Agreement inclusive of PTO. The First Amendment will memorialize the increase in hourly rates. The annual cost to include the additional days off is \$101,658, which is equivalent to a 4 percent average increase over the current hourly rates.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

PUBLIC OUTREACH/INTEREST

- ☐ **Criterion 1:** Requires Council action on the use of public funds equal to \$1,000,000 or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, this memorandum will be posted on the City's website for the December 17, 2013, City Council agenda.

COORDINATION

This memorandum was coordinated with the Departments of Public Works, Aviation, Environmental Services, Parks Recreation & Neighborhood Services, Transportation, Office of Economic Development/Work2Future, City Manager's Budget Office, and City Attorney's Office.

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This item will be scheduled for approval by the Treatment Plant Advisory Committee (TPAC) on December 12, 2013.

COST SUMMARY/IMPLICATIONS

Notwithstanding the approximate \$101,658 in additional compensation as a result of this amendment, no additional funding is necessary. These additional costs were assumed in the approved annual maximum compensation for the first year of services (\$3,200,000) for which funding has already been identified as outlined in the memorandum approved by the City Council on March 26, 2013.

CEQA

Not a Project, File No. PP10-066(e), Services that involve no physical changes to the environment.

/s/

JULIA H. COOPER
Director of Finance

For questions please contact Mark Giovannetti, Purchasing Division Manager at (408) 535-7052